

ABSTRACT

The January effect is one of the seasonal anomalies that can occur in the Indonesian capital market. January effect is a condition where in January the average stock returns and abnormal returns tend to be higher when compared to other months.

This study aims to determine whether there are differences in stock returns and abnormal returns in January with months other than January. If there is a difference between January and other months then the January effect occurs and vice versa if the January stock returns do not show differences with other months then the January effect does not occur.

The data used in this study are secondary data. The sample of this study consisted of 14 companies that did not carry out corporate actions and were consistently included in the Indonesia Stock Exchange LQ45 Index for the 2014-2018 period. The analytic method used in this study is the One Way ANOVA Test to test whether there are differences in stock returns between January and months other than January.

The results of the analysis of this study indicate that there are differences in stock returns and abnormal returns in each month but this does not prove that the January anomaly effect occurs in companies listed in the LQ45 Index 2014-2018 for not showing positive returns and abnormal returns. January and not always higher compared to other months.

In the results of this study, it is expected that the next researcher will add independent and dependent variables besides the variables in this study. It is recommended for companies to consider improving investment decisions by taking into account anomalies that might occur in the Indonesian capital market. Investors are advised that Investors are advised to pay attention to investment decisions by taking into account anomalies that might occur in the Indonesian capital market and not depend on market anomalies at the time of decision making.

Keywords: January Effect, Return, Abnormal Return, LQ45 Index.